

This letter addresses the rate of tax imposed in a municipality that has a Home Rule Municipal Retailers' Occupation Tax. See 86 Ill. Adm. Code 270.101. (This is a GIL.)

April 28, 2008

Dear Xxxxx:

This letter is in response to your recent inquiry that was referred to the Department in which you request information. The Department issues two types of letter rulings. Private Letter Rulings ("PLRs") are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. Persons seeking PLRs must comply with the procedures for PLRs found in the Department's regulations at 2 Ill. Adm. Code 1200.110. The purpose of a General Information Letter ("GIL") is to direct taxpayers to Department regulations or other sources of information regarding the topic about which they have inquired. A GIL is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120. You may access our website at [www.tax.illinois.gov](http://www.tax.illinois.gov) to review regulations, letter rulings and other types of information relevant to your inquiry.

The nature of your inquiry and the information you have provided require that we respond with a GIL. In your request, you have stated and made inquiry as follows:

On Friday, April 18<sup>th</sup> I was charged 11-1/2% on my food bill from a restaurant in Bellwood. I questioned the waitress and she said the manager told her she must start charging this now.

You need to stop them.

#### **DEPARTMENT'S RESPONSE:**

The Illinois Retailers' Occupation Tax Act imposes a tax upon persons engaged in this State in the business of selling tangible personal property to purchasers for use or consumption. (35 ILCS 120/2) In Illinois, Use Tax is imposed on the privilege of using, in this State, any kind of tangible personal property that is purchased anywhere at retail from a retailer. (35 ILCS 105/3) These taxes comprise what is commonly known as "sales" tax in Illinois.

In addition to State-imposed "sales" taxes, the Illinois Department of Revenue administers some locally imposed "sales" taxes. In Bellwood, Illinois on April 18, 2008, the "sales" taxes administered by the Illinois Department of Revenue were as follows:

State Retailers' Occupation Tax.....	6.25%
Bellwood Home Rule Municipal Retailers' Occupation Tax .....	1.5%

Regional Transportation Authority Retailers' Occupation Tax.....	1.0%
Cook County Home Rule Retailers' Occupation Tax .....	0.75%
 TOTAL.....	 9.5%

Effective July 1, 2008, the Cook County Home Rule Retailers' Occupation Tax will increase to 1.75%. With this increase, the sales tax rate in Bellwood for taxes administered by the Illinois Department of Revenue will increase to 10.5%.

In addition to these taxes, Bellwood, as a home rule municipality, has the authority to impose a restaurant tax, also sometimes referred to as a food and beverage tax. This tax, however, if imposed, is not administered or tracked by the Illinois Department of Revenue. To determine whether Bellwood has a food and beverage tax, you will need to contact Bellwood directly.

We are also referring your inquiry to our Audit Division. Please be advised, however, that we cannot release confidential taxpayer information regarding an audit or investigation by the Department.

I hope this information is helpful. If you require additional information, please visit our website at [www.tax.illinois.gov](http://www.tax.illinois.gov) or contact the Department's Taxpayer Information Division at (217) 782-3336. If you are not under audit and you wish to obtain a binding PLR regarding your factual situation, please submit a request conforming to the requirements of 2 Ill. Adm. Code 1200.110 (b).

Sincerely,

Samuel J. Moore  
Associate Counsel

SJM:msk